

# ARIZONA STATE SENATE

## RESEARCH STAFF



TO: MEMBERS OF THE TRANSPORTATION  
AND TECHNOLOGY COMMITTEE

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DATE: February 3, 2017

SUBJECT: Strike everything amendment to S.B. 1147, relating to county election; motor fuel taxes

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### Purpose

Allows a county or a Regional Transportation Authority (RTA) to levy a county motor fuel tax upon voter approval.

### Background

Current statute authorizes a county with a population between 400,000 and 1.2 million persons to establish an RTA. An RTA is a public improvement and taxing subdivision of the state and a municipal corporation. The membership of the RTA includes the county, each municipality in the county and any other members of the regional council of governments.

A regional transportation fund is established with the formation of an RTA to fund an approved regional transportation plan. The regional transportation fund consists of transportation excise tax monies, appropriated monies, federal grants, revenues from the public transportation system, bonds and other sources. Regional transportation fund monies are divided into three subaccounts: 1) a bond account, of which monies are held in trust for owners of the bonds; 2) a construction account, for the design, right-of-way purchase, construction, operation, maintenance and open space preservation for the regional transportation plan; and 3) an administrative account to hire professional planning, technical and administrative staff (A.R.S. Title 48, Chapter 30).

Arizona's current state tax rate for motor fuel is fixed at 18 cents per gallon. Use fuel (diesel) tax is fixed at 26 cents per gallon for use class motor vehicles and 18 cents per gallon for light class motor vehicles. The majority of motor vehicle tax revenues are deposited into the Highway User Revenue Fund.

Article IX, Section 14 of the Arizona Constitution requires monies derived from fees, excises or taxes relating to motor vehicles or fuels to be expended for highway and street purposes.

The bill authorizes counties to levy a new tax on motor fuel.

### Provisions

1. Allows a county or an RTA to levy a county motor fuel tax for a period of not more than 20 years, if approved by qualified electors at a countywide election.

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2. Requires tax to be levied and collected at a rate not more than an unspecified amount per gallon.
3. Requires county motor fuel tax monies to be collected by the Arizona Department of Transportation, deposited into the Regional Transportation Fund and designated for transportation uses, as defined in the Arizona Constitution.
4. Stipulates that the levied tax begins January 1 or July 1 following approval by the voters.
5. Makes conforming changes.
6. Becomes effective on the general effective date.

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